

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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POLICY

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Date: 12/10/2014

GAIN Report Number: RS1495

Russian Federation

Post: Moscow

Russian Ag Policy and Situation Bi-Weekly Update - 22

Report Categories:

Agricultural Situation

Agriculture in the News

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Report Highlights:

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Approved . . . Russian Government Issues Orders on Provincial Distribution of Federal Subsidies . . .
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General Information:

Russian Minister of Agriculture Redistributes Funds Under the Federal Program for Agriculture:

Nikolay Fyodorov reported last week on the redistribution of federal budget funds between a number of projects under the Federal Program of Agriculture Development. The government will almost double subsidies of short-term loans in the livestock sector. As a result, total financing of short-term loans in the livestock sector will increase to 6.753 billion rubles. Earlier in November, the government approved an additional 20 billion rubles to subsidize investment credits in plant and livestock breeding.

Additionally, Deputy Minister of Agriculture, Aleksandr Petrikov, chaired a discussion on the draft resolution “On including amendments to the Federal Law ‘Development of Agriculture.’” The amendment under discussion related to federal support to organizations and individual entrepreneurs that carry primary and or industrial processing of agricultural products. The objective of the amendment is to provide availability of credit resources for processors of agricultural products and achieve import substitution. The document was approved by the State Duma in the first reading.

<http://mcx.ru/news/news/show/31553.355.htm> http://mcx.ru/news/news/v7_show_print/31528.355.htm

Russian State Statistical Service (Rosstat) Published Russian Grain Stocks Data: According to Rosstat data, as of November 1, 2014, Russia’s grain stocks at farms, elevators, and processing enterprises were 42.9 million metric tons (MMT), a two percent decrease from October 1, 2014. However, these stocks were 18 percent higher than a year ago, and the second highest November stocks in the last five years. A good crop this year accounted for the relatively high stocks. Even in Russia’s major grain exporting region, stocks were 12.7 MMT on November 1, 2014. www.gks.ru

Russian 2015 Federal Budget Approved: On December 3, 2014, the Russian President signed the Federal Law “On the Federal Budget for 2015 and the Planned Periods 2016 and 2017” (Federal Law No. 384-FZ). The total spending of the federal budget of the Russian Federation in 2015 will be 15.5 trillion rubles. Allocations for the three agriculture related institutions (Ministry of Agriculture, Federal Service for Veterinary and Phytosanitary Surveillance, and the Fishery Agency) will be 207.4 billion rubles, or approximately 1.3 percent of the total allocations of the federal budget in 2015. Namely, the Ministry of Agriculture will receive 195.5 billion rubles, the Federal Service for Veterinary and Phytosanitary Surveillance will receive 11.9 billion rubles, and the Federal Fishery Agency will receive 0.4 billion rubles. <http://kremlin.ru/news/47162>,

<http://publication.pravo.gov.ru/Document/View/0001201412030001?index=2&rangeSize=1>

Russian Government Issues Orders on Provincial Distribution of Federal Subsidies: The orders include: Order No. 2357-p of November 27, 2014, Order No. 2404-p of November 29, 2014, and Order No. 2406-p of November 29, 2014. The total volume of funds for distribution is 92.0 billion rubles. This includes both funds saved from the 2014 budget (i.e. monies from the 2014 federal budget allocated to provinces but not yet spent by the provinces) and an additional 20 billion rubles recently added to the 2014 agricultural budget. The money will be distributed as follows:

- Partial compensation of interest rate on investment loans for the development of crop production – 20.0 billion rubles (including 8.5 billion of additional funds) and 50.7 billion rubles for development of livestock production (including 11.5 billion of additional funds);
- Decoupled (unbound) support of crop producers – 19.4 billion rubles, (including 0.4 million of additional funds);

- Improvement of agricultural land in 2014-2020 – 1.85 billion rubles.
<http://government.ru/docs/15929/>

Government Commission Met on the Changing Conditions in the Russian Food Markets:
On December 3, 2014, Deputy Chairman of the Government, Arkadiy Dvorkovich chaired a meeting of the government commission for monitoring and prompt response to changing conditions of the Russian food markets. Individuals attending the meeting included representatives from federal ministries and agencies, regions and trade associations, as well as retail chains. The participants discussed the situation in the consumer market for food commodities. The Ministry of Economic Development estimated the increase in food product prices from August through November 24th was 3.8 percent. The Commission stated that the year-to-date inflation rate through November 24, 2014 reached 12.2 percent. Price increases for products that are on Russia's import ban list have increased, on average, 5.8 percent since the ban was implemented in August, 2014. The Commission forecast a moderate price increase during the first half of 2015, primarily for fruits, vegetables and meat. They noted that the significant factor currently contributing to price formation is the currency exchange rate.
http://government.ru/vice_news/15935/

November Year-to-Date Inflation Rate Hit 8.5 Percent: Russia's state statistics authority, Rosstat, reported that the 2014 year-to-date consumer price inflation rate in Russia reached 8.5 in November. The year-on-year inflation in November was 9.1 percent. On a monthly basis, the prices for goods increased in November by 1.3 percent versus 0.8 percent in October. The November increase included a 2 percent increase in food products, a 0.6 percent increase in non-food products, and a 1.2 percent increase in prices for services. <http://tass.ru/en/economy/765259>

Kyrgyzstan's EEU Membership Timeline: AKIpress news agency cited Kyrgyzstan's Prime Minister, Joomart Otorbayev, as saying that the Kyrgyz Government plans for Kyrgyzstan to become a member of the Eurasian Economic Union by May 9, 2015. Meanwhile, according to TASS, Kyrgyzstan is planning to sign treaties on the Republic's accession to the Customs Union and Single Economic Space of Russia, Belarus and Kazakhstan at a summit of the Eurasian Economic Union on December 23, 2014. <http://tass.ru/en/economy/764531>, <http://www.akipress.com/news:552530>

Treaty Ratification of Armenia's EEU Accession Ongoing: According to TASS, Armenia's parliament ratified a treaty on joining the Eurasian Economic Union on December 4, 2014. Russian President Vladimir Putin submitted the treaty for ratification to the Russian parliament's lower house, the State Duma on December 2, 2014. <http://tass.ru/en/economy/765194>, <http://tass.ru/en/russia/764712>